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ACCA PAPER F1

Accountant in Business

Final Mock Examination

Date received:

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RESULTS		
Question	**Maximum**	**Score**
Qs 1-50		
Total	**90**	

Marker's comments (completed by BPP)

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Marker's assessment

Ticks in the left hand boxes indicate a good aspect of your performance. Tick in the right hand boxes highlight areas you need to work on. (Note: Boxes may be left empty if the comments are not applicable to your script)					**Relevant to Question**	
Approach	*Good performance*			*Improvement needed*		*How to improve*
Questions correctly interpreted						Careful reading Review the definitions of question words
Logical coherent answers						Practise planning and full written answers
Technical content						
Understanding of principles						Reading your Study Texts
Principles applied well to specific problems						More question practice required
Computation						
High standard of accuracy						Check your workings
Workings are easy to follow						Layout your workings clearly Label and cross reference
Appearance/Layout						
Text layout is clear and easy to follow						Neat handwriting Use plenty of space Use headings and subheadings Use short paragraphs
Calculations are easy to follow						Neat diagrams and tables Workings labelled
Written style						
Concise business style						Short concise sentences
Answering the question set						Think before you write

ACCA

Paper F1

Accountant in Business

Final Mock Examination

Question Paper	
Time allowed	**2 hours**

Instructions:

Please attempt this exam under test conditions and attach the frontsheet complete with your name and address to your script. The completed package should be sent to BPP Marking Department.

Take a few moments to review the notes on the inside of this page titled, 'Get into good exam habits now!' before attempting this exam.

DO NOT OPEN THIS PAPER UNTIL YOU ARE READY TO START UNDER EXAMINATION CONDITIONS

Get into good exam habits now!

Take a moment to focus on the right approach for this exam.

Effective time management

- Watch the clock, allow 1.3 minutes per mark. Read each question slowly and carefully, and do not exceed that time.

Effective planning

You will need to answer all questions, and a good plan of attack is as follows:

- Work through all the questions in order answering the ones you know, and marking the ones about which you are unsure on the question paper.
- Revisit the questions you have not attempted, considering each possible answer carefully. Try to discard the obvious incorrect answers to limit your choices.
- If you absolutely do not know the answer, attempt the best answer you can.
- Review all your answers to ensure you have not made any silly errors or missed out questions.

1 'Limited company status is only adopted by smaller sized businesses.'

Is this statement true or false?

A True

B False **(1 mark)**

2 In Vroom's expectancy theory of motivation what is the equation to show the level of motivation of staff?

A V = F x E

B E = V x F

C F = V x E

D F = V/E **(2 marks)**

3 How might the fraud of 'paying for goods not received' be perpetrated?

A Staff collude with suppliers

B Employees collude with customers

C Sales manager reduces the price charged to a customer

D Employee under-records quantities of despatched goods on delivery notes **(2 marks)**

4 Which of the following is an 'intellectual' competence in the context of job design?

A Coping with change

B Business sense

C Planning and organising

D Oral communication **(2 marks)**

5 Which of the following are 'explicit' elements of culture?

A Assumptions

B Values and beliefs

C Unspoken rules

D Business formalities **(2 marks)**

6 What is direct discrimination?

A Less favourable treatment of a protected group

B Being penalised for giving information or taking action

C The use of threatening, intimidatory, offensive or abusive language or behaviour

D When a policy or practice is fair in form, but discriminatory in operation **(2 marks)**

7 What are the three elements of government fiscal policy?

A Money supply, interest rates and credit controls

B Recession, recovery and boom

C Revenue, expenditure and borrowing

D Demand, supply and taxation **(2 marks)**

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8 The placing of advertisements only where the readership is predominantly of one race or sex is construed as _____

Which word or phrase completes this sentence?

A Direct discrimination

B Indirect discrimination

C Harassment

D Victimisation **(1 mark)**

9 Why will a rapid turnover of staff in the accounting function make proper control more difficult?

A There is a lack of continuity

B There are inadequate systems

C Staff don't have technical knowledge

D Staff are not competent **(2 marks)**

10 Why is it important that an individual's personality should be compatible with his or her work?

A Nobody should have to work with someone whose personality is very different from theirs

B A person who is unsociable and inhibited will find work intensely stressful

C Different personality types suit different types of work

D If there is interpersonal conflict, work will not get done **(2 marks)**

11 'Aged debtors who are not going to pay should be written off.'

Is this statement true or false?

A True

B False **(1 mark)**

12 Who devised the experiential learning cycle?

A Honey and Mumford

B Kolb

C Armstrong

D Belbin **(2 marks)**

13 What is a decline in the purchasing power of money a sign of?

A Inflation

B Unemployment

C Stagnation

D Recession **(2 marks)**

14 Where a Personal Development Plan (PDP) is created who has the chief responsibility for ensuring that development needs are met?

A The line manager

B The training provider

C The human resources department

D The individual employee **(2 marks)**

15 What does a decision support system (DSS) do to fulfil its function?

A Captures human expertise

B Combines data and analytical models

C Performs and records routine transactions

D Facilitates the creation and integration of new knowledge **(2 marks)**

16 Which of the following is a disadvantage of 'off the job' training?

A It risks committing staff too early to the job role before being comfortable with it

B Distractions and pressures may hamper learning focus

C It may not be directly relevant or transferable to the job

D It doesn't suit 'hands off' learning styles **(2 marks)**

17 What is a 'probity' audit also known as?

A Value for money audit

B Operational audit

C Transactions audit

D Systems audit **(2 marks)**

18 Which of the following factors is a valid consideration when deciding whether to recruit someone from outside, or to promote or transfer someone from the existing workforce?

A There is a need to deter unsuitable candidates who know nothing about the organisation

B There may not be any candidates in the external labour pool possessing the skills required

C External candidates will need training

D Internal applicants will be more readily available for interview **(2 marks)**

19 'An organisation's managers are collectively responsible for the conduct of its affairs.'

Is this statement true or false?

A True

B False **(1 mark)**

20 A firm of architects assesses the performance of its staff by the number of clients they have visited and the number of building plans drawn up and sold. What sort of appraisal system is in operation?

A Overall assessment

B Results-orientated scheme

C Guided assessment

D Further information is required **(2 marks)**

21 Which of the following will alert internal audit staff to the possibility of fraud?

A Signs of discontent or low morale

B Aggressive senior executives

C Close personal relationships between staff

D Unusual items or trends in data **(2 marks)**

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22 Which of the following would be treated as unemployed?

A A worker recently made redundant

B A student in full-time education

C A worker who cannot work on health grounds **(1 mark)**

23 What characterises the 'problem-solving style' of appraisal interview?

A The manager tries to gain acceptance of the evaluation and the improvement plan

B The manager dominates the interview throughout

C The appraise is encouraged to devise his/her own solutions

D The appraisee is motivated to alter his/her behaviour **(2 marks)**

24 A private company's share capital normally has which of the following features

(i) Votes in general meeting?
(ii) No automatic right to dividends?
(iii) Is the risk capital and last to be paid on liquidation?

A (i) only

B (i) and (ii)

C (ii) and (iii)

D (i), (ii) and (iii) **(2 marks)**

25 Which of the following criteria should be used when assessing the effectiveness of an appraisal scheme?

A Relevance and fairness

B Relevance and cost

C Cost and efficiency

D Cost and relevance **(2 marks)**

26 Which of the following is standard data on an employee's payroll file?

A Pension contributions

B Tax to date

C Bank account details

D Gross pay to date **(2 marks)**

27 'One of the responsibilities of the internal audit department is to detect all cases of fraud and error.'

Is this statement true or false?

A True

B False **(1 mark)**

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28 Which of the following are personal qualities expected of accountants?

(i) Reliability
(ii) Responsibility
(iii) Objectivity
(iv) Competence

A (i), (ii) and (iii)

B (i) and (ii)

C (ii) and (iii)

D All of them **(2 marks)**

29 What happens when there is distortion or "noise" in the communication process?

A The sender of a message demands feedback

B There is confusion over which channel to use

C The meaning of the message can be lost

D The recipient ignores the message **(2 marks)**

30 'The 'Y' pattern of communication was proven by Leavitt to be the fastest at problem solving.'

Is this statement true or false?

A True

B False **(1 mark)**

31 Which of the following are features of 'delayering'?

(i) Reduced staffing levels
(ii) Removal of middle management
(iii) Staff empowerment
(iv) Flatter organisational hierarchies

A (i), (ii) and (iii)

B (i) and (ii)

C (ii), (iii) and (iv)

D All of them **(2 marks)**

32 Which of the following questions/requests when contained in a job reference from a previous employer are appropriate?

A The nature of the applicant's previous job?

B How well liked the was the applicant?

C Please provide detrimental remarks, where relevant

D Please provide contact details of previous colleagues. **(2 marks)**

33 What is 'organisational authority'?

A Assigning tasks to subordinates

B A person's ability to make decisions, by virtue of the position he or she holds

C The liability of a person to discharge duties

D Expecting and requiring satisfactory performance of tasks **(2 marks)**

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34 Strategy and operations in a particular organisation are delivered and controlled from the top of the organisation. Senior manager activities include direction-setting, policy making and crisis handling. This organisation has a _____ culture.

Using Handy's organisational cultures which word correctly completes this sentence?

A Task

B Role

C Power **(1 mark)**

35 Which of the following statements represents an intrinsic reward?

A Related to the job itself

B Dependent upon the decisions of others

C External to the control of the worker

D Pay, benefits, non-cash incentives and working conditions **(2 marks)**

36 After recording in the books of prime entry, what happens to accounting data?

A It is discarded since it has now been recorded

B It is summarised and reported in the financial statements

C It is analysed and reconciled

D It is analysed and posted to the ledgers **(2 marks)**

37 John Adair developed a model based on group, task and individual. This model is known as:

A Scientific management

B Human relations school

C Action-centred leadership

D Managerial grid **(2 marks)**

38 How does communication flow in an organisation?

(i) Upwards
(ii) Downwards
(iii) Sideways
(iv) Diagonally

A (i), (ii) and (iii)

B (i) and (ii)

C (ii), (iii) and (iv)

D All of them **(2 marks)**

39 Which of the following features is most likely to be found in a high 'power distance' culture?

A Top-down chain of command

B Flat organisational structure

C Lack of close supervision

D Participation in decision making **(2 marks)**

40 What is the role of a nomination committee?

A Appointing the external auditors

B Overseeing board appointments

C Recommending managers for promotion

D Assessing board performance **(2 marks)**

41 The term 'information _____' is a reflection of the growing view that information is a commodity.

Which word most correctly completes this sentence?

A Technology

B Market

C System **(1 mark)**

42 At a recent team meeting the leader said: 'Well, I think that this team has fulfilled its purpose successfully. It's time to disband'.

What stage has the team reached?

A Performing

B Dorming

C Norming

D Mourning **(2 marks)**

43 Which of the following statements reflects a product orientation towards the customer?

A 'The product must be sold actively and aggressively'

B 'Customers will buy whatever we produce'

C 'Add more features to the product – demand will pick up'

D 'The key task of the organisation is to determine the needs of a target market' **(2 marks)**

44 Which of the following is a key feature of supervision?

A Usually a front-line manager

B Spends all his/her time on the managerial aspects

C Deals with matters at a policy-making level

D Plans and controls using a longer-term view **(2 marks)**

45 Risk management and internal control, accountability to shareholders and other stakeholders, and conducting business in an ethical and effective way, are all features of what?

A The stakeholder view

B Agency theory

C Stewardship

D Corporate governance **(2 marks)**

46 Why should team-based organisations design reward systems that recognise team, rather than individual success?

A People only work well when they are part of a team

B Team leaders only think about their team as a whole

C Teams are more likely to demonstrate commitment to organisational goals

D Individual performance rewards may act against team co-operation and performance **(2 marks)**

47 What is the primary reason for financial analysts to demand a company's accounting information?

A They need information for their clients

B They are interested in investing in the company

C They already own shares in the company

D They may want to purchase the goods or services provided by the company **(2 marks)**

48 The ease with which data flows from one system to another depends on the extent of _____ between systems.

Which word correctly completes this sentence?

A Similarity

B Security

C Integration **(1 mark)**

49 What are non-discretionary controls?

A Those provided automatically by the system which cannot be bypassed

B Those designed to detect errors once they have happened

C Those that are designed to prevent errors from happening in the first place

D Those chosen by the organisation to support the management of the business **(2 marks)**

50 Which of the following is a disadvantage of outsourcing?

A There is often a long-term agreement, where services are specified in advance

B An organisation may find itself locked into a contract

C Resources may need to be scaled up or down depending upon demand

D Work can be arranged on a project basis **(2 marks)**

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Student self assessment

Having completed this exam, take a few minutes to consider what you did well and what you found difficult. Use this as a basis to focus your future study on effectively improving your performance.

Common problems		Future emphasis if you answer Yes
Timing and planning		
Did you finish too early?	Y/N	Go back and check your answers, especially those you were unsure of.
Did you overrun?	Y/N	Focus on allocating your time better. Practise questions under strict timed conditions. If you get behind move on.
Content		
Did you struggle with:		
Interpreting the questions?	Y/N	Learn subject jargon (look at key terms in your Study Text). Read questions carefully. Practise as many questions as possible.
Understanding the subject?	Y/N	Review your notes/Text. Work through easier examples first. Contact your tutor for further help.
Remembering the notes/Text?	Y/N	Quiz yourself constantly as you study. You need to develop your memory as well as your understanding of a subject.

Note here any thoughts on your performance which could help you on the big day.

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ACCA

Paper F1

Accountant in Business

Final Mock Examination

Commentary and Solutions

Commentary

Tutor guidance on improving performance on the exam paper

F1 is a very broad paper requiring knowledge about a wide range of topics. It is unlikely that the examiner will miss any sections out, so if you found any question or topic areas unfamiliar, you **must** revisit your earlier study material before attempting the real exam.

MCQ questions are usually designed with 'distractors' in them – if you made some incorrect choices ensure that in the real exam you do not rush your answers. You have 1.3 minutes per mark – this is plenty of time to consider all the options carefully.

If you have limited study time, consider using revision tools such as the BPP Passcards or i-pass – these products are designed to provide the key points on each topic area; knowledge of these key points should enable you to pass the exam.

Answers

1 B Whereas sole traderships and partnerships are normally small business, limited company status is used for businesses of any size.

2 C where: F = the force or strength of the individual's motivation to behave in a particular way

V = valence: the strength of the individual preference for a given outcome or reward and

E = expectancy: the individual's perception that the behaviour will result in the outcome/ reward.

3 A The other options relate to collusion with customers, whereas if staff collude with suppliers, the latter can issue invoices for larger quantities of goods than were actually delivered. The additional payments made by the company are split between the two parties.

4 C The others are skills or attitudes.

5 D Patterns of behaviour such as greeting styles, business formalities, social courtesies and ceremonies can be seen however the others are unseen and therefore implicit.

6 A Direct discrimination occurs when one interested group is treated less favourably than another.

7 C Option A relates to monetary policy; Option B relates to the business cycle and Option D is invalid.

8 B This is indirect discrimination since it reduces the access to opportunity of the groups not targeted. It should be noted that positive discrimination is still discrimination and so can be unlawful.

9 A Turnover of staff means lack of consistency, continuous training needs and lack of team cohesion. This lack of continuity is the main problem for control. Good recruitment policies should ensure technical knowledge and competence.

10 C If there are incompatibilities, then the manager needs to work to resolve them. It is more difficult to make someone fit a job role to which they are unsuited.

11 A Debtors who will not pay need to be recognised as a cost.

12 B David Kolb devised the idea that we learn through experience.

13 A Inflation is the name given to an increase in price levels generally. All the other conditions usually lead to stable or falling prices.

14 D Staff should seek to develop their own skills and improve their own careers, rather than wait for the organisation to impose training upon them.

15 B DSS are used by management to assist in making decisions on issues which are subject to high levels of uncertainty. DSS have more analytical power than other systems enabling them to analyse and condense large volumes of data.

16 C The other options are all disadvantages of 'on the job' training.

17 C A transactions or probity audit aims to detect fraud and uses only substantive tests looking at actual transactions.

18 B This is the only valid issue when making the decision, from the options given.

19 A This is why a management team needs to work cohesively for the organisation to succeed.

20 B Such schemes review performance against specific targets and standards of performance agreed in advance by manager and subordinate together.

21 D Whilst the others may contribute to an environment in which fraud can occur the key concern would be about unusual transactions.

22 A Unemployment is a term to describe workers available for work but not in employment. Neither of the other two options are situations where the person is available for work.

23 C The manager abandons the role of critic altogether, and becomes a coach and helper. Option D, while similar, more accurately describes the 'tell and sell' style.

24 D Shareholders are normally the owners of the business (known as equity shareholders) and have the risks and rights that go with that status.

25 A Effectiveness of an appraisal system is about whether it achieves its purpose – it should be relevant and fair. Cost and efficiency whilst of importance do not assess effectiveness.

26 C The other options represent variable data (ie that will change each month).

27 B The internal audit department can only be expected to *control* the risks of fraud and error.

28 B Objectivity and competence are more correctly classified under 'fundamental principles' to be complied with, rather than personal qualities.

29 C Usually the problem is one of language and the medium used.

30 B Leavitt found that the 'wheel' pattern was the fastest at problem solving, although it was the lowest when it came to job satisfaction.

31 D These developments have generally come about because of the influence of information technology.

32 A Straightforward factual information should confirm the nature of the applicant's previous job(s), period of employment, pay, and circumstances of leaving.

33 B Authority is the ability to make decisions and undertake tasks. Assigning tasks is delegation and liability is accountability that can not be delegated.

34 C In a power culture little is delegated and decisions need to be made or authorised by the senior managers.

35 A Intrinsic rewards are those which arise from the performance of the work itself. Intrinsic rewards include the satisfaction that comes from completing a piece of work, the status that certain jobs convey, and the feeling of achievement that comes from doing a difficult job well.

36 D Once analysed in the books of prime entry (eg a cash book) the accounting data can be posted to ledgers from which ultimately financial statements will be prepared. Accounting data (eg invoices) should normally be retained for audit purposes.

37 C Option A is the work of Frederick Taylor; Option B the work of Elton Mayo; Option D the work of Blake and Mouton.

38 D Communication flows in organisations in all directions (formally and informally).

39 A High PD cultures (as in Latin, near Eastern and less developed Asian countries) accept greater centralisation, a top-down chain of command and closer supervision. Subordinates have little expectation of influencing decisions.

40 B The nomination committee needs to consider the balance between executives and independent non-executives, the skills possessed by the board, the need for continuity and the desirable size of the board.

41 B While options A and C relate to the management of information the treatment of information as a commodity describes an information market.

42 D According to Tuckman this is a stage of confusion, sadness and anxiety as the group breaks up. There is evaluation of its achievements, and gradual withdrawal of group members.

43 C Such firms do not research what customers actually want. Option A is a sales orientation; option B is a production orientation and D describes a marketing orientation.

44 A The other options describe aspects of the work of more senior managerial staff.

45 D Corporate governance is the system by which organisations are directed and controlled by its senior officers.

46 D Individual rewards can create internal competition that may become destructive to the effective working of the teams upon which the organisation is based.

47 A For example, stockbrokers will need information to advise investors in stocks and shares; credit agencies will want information to advise potential suppliers of goods to the company; and journalists need information for their reading public. The other options describe the client's potential interest in the company.

48 C The level of integration will depend on the nature of the organisation and the systems involved.

49 A Option B describes 'detect' controls; Option C describes 'prevent' controls and Option D describes 'voluntary' controls.

50 B Option A is an advantage, especially when prices are set in advance. Options C and D demonstrate the flexibility which is generally a feature of outsourcing arrangements.

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